Document #4776

6/26/86

Document No. 4776

BOSTON REDEVELOPMENT AUTHORITY

THIRD AMENDMENT TO THE REPORT AND DECISION ON THE APPLICATION, AS AMENDED, OF ZENA NEMETZ AND BACK BAY RESTORATIONS, INC. FOR AUTHORIZATION AND APPROVAL OF A PROJECT UNDER CHAPTER 121A OF THE GENERAL LAWS AND CHAPTER 652 OF THE ACTS OF 1960, BOTH AS AMENDED, TO BE UNDERTAKEN AND CARRIED OUT BY A LIMITED PARTNERSHIP FORMED UNDER CHAPTER 109 OF THE GENERAL LAWS AND APPROVAL TO ACT AS AN PARTNERSHIP UNDER SAID CHAPTER 121A.

On December 5, 1985, the Boston Redevelopment Authority (the "Authority") voted to approve and adopt the Second Amendment to the Report and Decision (the "Second Amendment") on the Back Bay Restorations Project (the "Project"), which vote was approved by the Mayor of the City of Boston on December 19, 1985 and the vote as so approved was filed with the Clerk of the City of Boston on March 10, 1986, all in accordance with the applicable provisions of Chapter 121A of the General Laws and Chapter 652 of the Acts of 1960, both as then amended.

The Second Amendment, specifically Sections B(3) and A(10), authorized the Back Bay Restorations Company ("BBRC") to refinance the Project as amended in accordance with a certain Refinancing Commitment, namely a commitment letter from University Financial Services Corporation, dated as of December 4, 1985. Furthermore, Section B(3) of the Second Amendment, in relevant part, provides that,

> "...no alternative financing or further financing or refinancing including the granting or recording of any mortgages on the Project Properties, shall be made without the prior written approval of the Authority".

In accordance with an Order for Judgment, dated as of December 5, 1985 and attached as Exhibit B to the Second Amendment, which was entered by the Land Court in a certain case, Boston Redevelopment Authority v. Back Bay Restorations Company, et al., Civil Action No. 116134, BBRC, among other conditions, was required to pay the Authority $250,000, and additionally $500,000 at twelve percent through a note secured by a mortgage on the Project as amended and as additional interest ten percent of the gross sales price in excess of the principal amount of such note when the buildings which constitute the Project as amended or the dwelling units therein are sold or deemed to be sold, and to pay the City of Boston and the state Department of Revenue certain amounts due under Sections 6A and 10 of Chapter 121A.

On April 16, 1986, the refinancing of the Project as amended was closed and the Order for Judgment, as amended, became final with the filing of a certain statement by counsel for the Authority in part certifying that the conditions set forth in such order had been complied with by BBRC.

Paragraph 3 of the Regulatory Agreement, by and between the Applicant and the Authority, dated as of March 10, 1986, provides, in relevant part, as follows:

> "The Partnership [BBRC] shall refinance the Project Properties in accordance with Section B(3) of the Second Amendment and as long as this Agreement, Chapter 121A and Chapter 652 shall be applicable to the Project as amended. All subsequent or alternative financing or refinancing, including the granting or recording of any mortgages on the Project Properties...shall be made only with the prior approval of the Authority."

On June 25, 1986, BBRC filed with the Authority an Application for a Third Amendment to the Report and Decision (the "Third Amendment Application") which requests that the Report and Decision, as previously amended, be amended further and approval be granted under the Regulatory Agreement to authorize another refinancing of the Project as amended in accordance with the terms and conditions as set forth in a certain commitment letter from St. Paul Federal Bank for Savings of Chicago, Illinois, which was attached as "Exhibit C" to the Third Amendment Application.

In acting hereunder, the Authority has considered the Third Amendment Application and additional evidence sufficient in the Authority's judgment, to enable it to act as set forth herein. Accordingly, the Authority hereby approves as required by Paragraph 3 of the Regulatory Agreement and amends Section B(3) of the Second Amendment to the Report and Decision to authorize a further refinancing of the Project as amended subject to the following conditions: (1) any mortgage granted by BBRC to St. Paul Federal Bank for Savings must be subordinate in all respects to a new first mortgage in favor of the Authority constituting a first lien as to both principal and interest, (2) the terms and conditions of all loan and mortgage documents respectively of St. Paul Federal Bank for Savings and the Authority shall be subject to the approval of the Director of the Authority and he hereby is authorized to execute on behalf of the Authority any and all

agreements to complete the refinancing, (3) BBRC shall reimburse the Authority for all reasonable counsel fees, including both staff and outside counsel, that are incurred in order to complete the refinancing, and (4) in the event that the refinancing is not completed within three (3) months from the date hereof, the Authority reserves the right on its own initiative to rescind this Third Amendment to the Report and Decision.

APPLICATION OF BACK BAY RESTORATIONS COMPANY FOR APPROVAL OF A THIRD AMENDMENT TO THE REPORT AND DECISION AS AMENDED BY THE FIRST AND SECOND AMENDMENTS THERETO AUTHORIZING AND APPROVING THE BACK BAY RESTORATIONS PROJECT UNDER MASSACHUSETTS GENERAL LAWS CHAPTER 121A AND ST. 1960, C. 652 BOTH AS AMENDED

The undersigned, Back Bay Restorations Company (the "Applicant"), hereby applies to the Boston Redevelopment Authority ("Authority") pursuant to Chapter 121A of the General Laws ("Chapter 121A"), Chapter 652 of the Acts of 1960, and the Rules and Regulations issued by the Authority, all as amended, for approval by the Authority of a Third Amendment to the Report and Decision on the Back Bay Restorations Project (the "Project").

By this Application, the Applicant makes the representations and requests the specific changes to and approvals required by the Report and Decision, as previously amended, and the Regulatory Agreement as set forth below.

1. The Second Amendment to the Report and Decision (the "Second Amendment") on the Project was approved by vote of the Authority on December 5, 1985, which vote was affirmed by the Mayor of the City of Boston on December 19, 1985 and the vote as affirmed was filed with the Clerk of the City of Boston on March 10, 1986.

2. The Second Amendment, Sections B(3) and A(10), authorized the Applicant to refinance the Project as amended in accordance with a certain Refinancing Commitment, namely a commitment letter from University Financial Services Corporation, dated as of December 4, 1985 and agreed to by the Applicant on December 5, 1985. Furthermore, Section B(3) of the Second

Amendment, in relevant part, provides that, "...no alternative financing or further financing or refinancing including the granting or recording of any mortgages on the Project Properties, shall be made without the prior written approval of the Authority".

3. In accordance with an Order for Judgment, dated as of December 5, 1985 and attached as Exhibit B to the Second Amendment, which was entered by the Land Court in a certain case, Boston Redevelopment Authority v. Back Bay Restorations Company, et al., Civil Action No. 116134, the Applicant, among other conditions, was required to pay the Authority $250,000, and additionally $500,000 at twelve percent through a note secured by a mortgage on the Project as amended and as additional interest ten percent of the gross sales price in excess of the principal amount of such note when the buildings which constitute the Project as amended or the dwelling units therein are sold or deemed to be sold, and to pay the City of Boston and the state Department of Revenue certain amounts due under Sections 6A and 10 of Chapter 121A.

4. On April 16, 1986, the refinancing of the Project as amended was closed and the Order for Judgment, as amended, became final with the filing of a certain statement by counsel for the Authority in part certifying that the conditions set forth in such order had been complied with by the Applicant. A copy of the beforementioned statement as filed with the Land Court is attached hereto as "Exhibit A" and incorporated as a part hereof.

5. Section 3 of the Regulatory Agreement, by and between the Applicant and the Authority, dated as of March 10, 1986, provides, in relevant part, as follows:

"The Partnership [the Applicant] shall refinance the Project Properties in accordance with section B(3) of the Second Amendment and as long as this Agreement, Chapter 121A and Chapter 652 shall be applicable to the Project as amended. All subsequent or alternative financing or refinancing, including the granting or recording of any mortgages on the Project Properties...shall be made only with the prior approval of the Authority."

A copy of the executed Regulatory Agreement is attached hereto as "Exhibit B" and incorporated as a part hereof.

6. The Applicant has secured a commitment to refinance the Project as amended on more favorable terms from the St. Paul Federal Bank for Savings of Chicago, Illinois. A copy of the commitment letter dated April 23, 1986 and as accepted by the Applicant on May 16, 1986, is attached hereto as "Exhibit C" and incorporated as a part hereof.

7. Based on the foregoing, the Applicant requests that the Report and Decision, as previously amended, be amended further to authorize the refinancing referred to in item 6 above and for approval thereof in accordance with Section 3 of the Regulatory Agreement.

8. All other terms and conditions of the Report and Decision as amended by the Second Amendment would remain in force and effect.

Executed as a sealed instrument this 25th day of June, 1986.

BACK BAY RESTORATIONS COMPANY

By: _____
Andrea Mobilia as authorized representative for Zena Nemetz, General Partner

"Exhibit A"

FILED
APR 16 4 00 PM '86
LAND COURT

COMMONWEALTH OF MASSACHUSETTS

SUFFOLK, ss.

LAND COURT DEPARTMENT
OF THE TRIAL COURT
CIVIL ACTION NO. 116134

BOSTON REDEVELOPMENT AUTHORITY, Plaintiff	
v.	
BACK BAY RESTORATIONS COMPANY, ET AL., Defendants	

A TRUE COPY
ATTEST:
Charles W. Crombly, Jr.
RECORDER

STATEMENT OF BOSTON REDEVELOPMENT AUTHORITY

Now comes the plaintiff, Boston Redevelopment Authority ("BRA"), and by its counsel pursuant to Paragraph 6 of the Order for Judgment, entered by this Court on December 5, 1985, in connection with the above-entitled action (the "Order") hereby files the "statement" referred to in the last sentence of said paragraph.

The plaintiff certifies as follows:

1. The Second Amendment to the Report and Decision as referred to in Paragraphs 4 and 6 of the Order (the "Second Amendment"), was adopted by vote of the BRA on December 5, 1985, such vote was approved by the Mayor of the City of Boston on December 19, 1985 and such vote as so approved was filed with the Clerk of the City of Boston on March 10, 1986, all in accordance with the requirements of Sections 12 and 13 of Chapter 652 of the Acts of 1960, as amended, and the "Rules

and Regulations of the Boston Redevelopment Authority Governing Chapter 121A Projects in the City of Boston," as amended.

2. On information and belief, no appeal has been taken by any person from said Second Amendment in either the Supreme Judicial Court or the Superior Court within thirty (30) days of the filing of the same with the Clerk of the City of Boston in accordance with Section 13, eleventh paragraph, of Chapter 652 of the Acts of 1960.

3. The defendant, Back Bay Restorations Company, has complied with Paragraphs 1, 4, 4a, 4b, 4c, 4d and 4g of the Order and Sections B(3) and (5) of the Second Amendment as of the date hereof.

Based on the foregoing, the plaintiff further certifies that the Order is final and binding.

Respectfully submitted,

BOSTON REDEVELOPMENT AUTHORITY

By Its Attorneys,

A TRUE COPY
ATTEST:
Charles W. Crombly, Jr.

Alexander Kovel, Esq.
Special Counsel
33 Mount Vernon Street
Boston, MA 02108
(617) 742-4970

Kevin J. Morrison
Assistant General Counsel
One City Hall Square
Boston City Hall, Room 920
Boston, MA 02201
(617) 722-4300

Dated: April 15, 1986

"Exhibit B"

REGULATORY AGREEMENT

Pursuant to Massachusetts General Laws Chapter 121A, Section 18C

This Agreement (the "Agreement") is made this 10th day of March, 1986, by and between BACK BAY RESTORATIONS COMPANY, a limited partnership organized under and subject to the provisions of Chapter 109 and Chapter 121A of the Massachusetts General Laws (the "General Laws"), (the "Partnership") and BOSTON REDEVELOPMENT AUTHORITY, a public body politic and corporate existing under Chapter 121B of the General Laws and acting hereunder pursuant to Chapter 121A, Section 18C of the General Laws (the "Authority"):

WITNESSETH THAT:

WHEREAS, an application, dated February 27, 1976, and a first amendment thereto, dated May 3, 1976, (collectively the "Orignal Application") were filed with the Authority for approval under Chapter 121A of the General Laws ("Chapter 121A") and Chapter 652 of the Acts of 1960 ("Chapter 652"), both as then amended and applicable, of a project known as Back Bay Restorations (the "Project"), as more particularly described in the Original Application, and for the consent to the formation of an Urban Redevelopment Limited Partnership, known as Back Bay Restorations Company, to undertake such Project in Boston, Massachusetts, which Original Application was approved by vote of the Authority adopting a Report and Decision thereon (the "Report and Decision") on May 6, 1976, such vote was affirmed by the Mayor of the City of Boston (the "Mayor") on May 24, 1976, and the vote as affirmed was filed with the Clerk of the City of Boston (the "City Clerk") on May 27, 1976 (the "Initial Approval Date");

WHEREAS, a certain Regulatory Agreement as required by Section 18C of Chapter 121A was executed by the Partnership and the Authority on April 26, 1976.

WHEREAS, an application for a second amendment to the Original Application, dated February 6, 1978, was filed with the Authority, which application along with a first amendment to the Report and Decision (the "First Amendment to the Report and Decision") were approved by votes of the Authority on February 16, 1978, such votes were affirmed by the Mayor on November 28, 1978, and the votes as affirmed were filed with the City Clerk on December 1, 1978;

WHEREAS, an application, dated October 17, 1985, was filed with the Authority for approval of a second amendment to the Report and Decision, which application was approved by vote of the Authority, adopting a Second Amendment to the Report and Decision (the "Second Amendment to the Report and Decision") on December 5, 1985 (said Second Amendment to the Report and Decision is incorporated herein by reference), such vote was affirmed by the Mayor on December 19, 1985, and the vote as affirmed was filed with the City Clerk on March 10, 1986;

WHEREAS, in connection with a certain action filed by the Authority against the Partnership and others in the Land Court, Suffolk County, (the "Land Court"), Boston Redevelopment Authority v. Back Bay Restorations Company, et al. (Civil Action No. 116134), an Order for Judgment was entered by the Land Court on December 5, 1985 and an Amendment to Judgment was entered on January 28, 1986 (collectively called the "Judgment as amended"), (said Judgment as amended is incorporated herein by reference); and

WHEREAS, pursuant to Section B(5) of the Second Amendment to the Report and Decision, Paragraph 4a of the Judgment as amended and the provisions of Section 18C of Chapter 121A, the Partnership is required to enter into this Agreement with the Authority.

NOW THEREFORE, the Partnership agrees for itself, its successors and assigns, with the Authority, as follows:

1. This Agreement shall supercede and replace in all respects that Regulatory Agreement, dated as of April 26, 1976, between the Partnership and the Authority as of the date of the filing of the Second Amendment to the Report and Decision with the City Clerk.

2. In accordance with Section B(1)(b) of the Second Amendment to the Report and Decision, the Project as amended under Chapter 121A and Chapter 652 shall include only those parcels of land with the buildings thereon numbered 199 and 238 Marlborough Street and 148 and 298 Commonwealth Avenue, Boston, Massachusetts, as more particularly described in Exhibit A, attached hereto and incorporated as a part hereof, (the "Project Properties"). Said Project Properties contain thirty-eight (38) dwelling units, consisting of eight (8) studio units, eleven (11) one-bedroom units, seven (7) two-bedroom units and twelve (12) three-bedroom units, which shall be operated and maintained as rental apartments only and no unit therein shall be sold or otherwise conveyed, as required by Section B(1)(b) of the Second Amendment and Paragraph 4(d) of the Judgment as amended for as long as Chapter 121A and Chapter 652 is applicable to the Project as amended, as hereinafter set forth in paragraph 8.

3. The Partnership shall refinance the Project Properties in accordance with Section B(3) of the Second Amendment to the Report and Decision, and as long as this Agreement, Chapter 121A, and Chapter 652 shall be applicable to the Project as amended. All subsequent or alternate financing or refinancing, including the granting or recording of any mortgages on the Project Properties, or sale or assignment of Partnership interests, general and limited, shall be made only with the prior approval of the Authority.

4. The Partnership shall keep accounts for the Project as amended separate and apart from any other activities conducted by the Partnership and shall not expend income derived therefrom, other than as described in Chapter 121A, Sections 15 and 18C(e),

upon or for the benefit of any other of its activities, not directly related to the operation, management or maintenance of the Project as amended.

5. The Partnership shall comply with the provisions contained in Section 8 of Chapter 121A as now amended, relative to the inspection of buildings and enforcement of compliance with the refinancing program and the rules and regulations imposed on the Project as amended, as set forth in Sections B(4) and (5) of the Second Amendment to the Report and Decision and Exhibit B (entitled "Revised Minimum Standards For Financing, Maintenance and Management Of The Project As Amended"), attached hereto and incorporated as a part hereof, and all other applicable provisions of Chapter 121A and Chapter 652, not specifically referenced herein.

6. The general and limited partners of the Partnership shall not receive or accept, while this Agreement is in force, as net income from the Project as amended, any sum in excess of eight percent (8%) of the amount invested by them in the Project as amended for each calendar year or parts thereof in which they own or have owned an interest in the Project as amended, except that, if in any such year or part thereof they have so received a sum less than the aforesaid eight percent (8%) they may so receive in a subsequent year or years, additional sums not exceeding in the aggregate such deficiency, without interest. For purposes of this paragraph and Section 18C(e) of Chapter 121A, the term "amount invested" shall be as defined in Exhibit B, Section 4, second paragraph, attached hereto. In the event in any calendar year or part thereof the general or limited partners of the Partnerhip receive or accept as net income a sum in excess of the beforementioned eight percent (8%) of the amount invested plus any accrued deficiency, as determined by the Authority, the Partnership upon receipt of notice from the Authority shall expend an equivalent sum, as directed by the Authority, for the purposes as set forth in Section 15 of Chapter 121A and any amount not expended for such purposes shall upon notice from the Authority be paid to the City of Boston as an additional payment in accordance with Paragraph 4 of a certain 6A Contract between the City of Boston and the Partnership of even date herewith (the "6A Contract"). Nothing contained in this paragraph shall be applicable to the distribution of profits from the sale of the capital assets of the Partnership.

7. In consideration of the exemption of the Partnership and its real and personal property which constitute the Project Properties, referred to above in paragraph 2 and described in Exhibit A attached hereto, from taxation and betterments and special assessments and from the payments of any tax, excise or assessment to or for the Project as amended, it shall pay the excises with respect to the Project as amended which a Chapter 121A entity would be bound to pay under the formulae and provisions set forth in Section 10 of Chapter 121A, and the sums as agreed upon between the Partnership and the City of Boston in accordance with the provisions of the 6A Contract.

8. Subject to the provisions of paragraph 9 below, this Agreement shall commence on the date the Second Amendment to the Report and Decision is filed with the City Clerk and shall terminate on May 27, 1991, fifteen (15) years from the Initial Approval Date; provided however, if the Authority in accordance with Section B(5) of the Second Amendment to the Report and Decision adopts a vote to rescind such amendment or votes to approve a Third Amendment to the Report and Decision in effect restoring the terms, scope and duration of the Project as described in the First Amendment to the Report and Decision, this Agreement shall remain in full force and effect with the following exceptions, (a) the Project shall be as described in the Report and Decision as amended by the First Amendment to the Report and Decision, and (b) the termination date of this Agreement shall be forty (40) years from and after the Initial Approval Date of the Project under Chapter 121A. Neither the Project as amended (or the Project) nor the Partnership shall after the termination date be subject to the obligations of Chapter 121A, Chapter 652 and the Second Amendment to the Report and Decision, nor enjoy the rights and privileges thereunder or be subject to the terms, conditions and obligations of this Agreement as provided in Section 18C of Chapter 121A. Notwithstanding the foregoing sentence, the right to any amounts due to the City of Boston from the Partnership in accordance with paragraph 6 hereof shall survive the termination of this Agreement and shall be paid to the City of Boston in accordance with the 6A Contract.

9. If the Partnership and/or the mortgage lender or lenders to the Partnership propose, acting either under the provisions of the third and last paragraph of Section 11, Section 13A of Chapter 652, or under Section 16A of Chapter 121A to transfer the Project as amended, in whole or in part, to a different entity or entities, this Agreement shall, upon approval by the Authority of such transfer and at the option of the Authority, be terminated and a new Regulatory Agreement shall be entered into between the Authority and such transferee or transferees.

10. This Agreement shall be binding upon and the benefits hereunder shall inure to the Partnership, its heirs, legal representatives, executors, administrators, successors in interest and assigns. No general or limited partner of the Partnership assumes any personal financial liability under the terms of this Agreement beyond their respective interests in the Project as amended, except for any sums that may be due the City of Boston under paragraph 6 hereof.

11. The Partnership and its general and limited partners shall not voluntarily transfer, assign, convey or sell, or in any manner hypothecate any partnership interest in the Project as amended or any of the Project Properties referred to in paragraph 2 above and Exhibit A attached hereto, at any time without the prior consent and approval of the Authority, and as a condition

to any request to permit a transfer of any such partnership interest or asset(s) it shall cause such proposed transferee or assignee to enter into a written agreement in form and content satisfactory to the Authority wherein such assignee or transferee agrees to assume and/or be bound by the terms and provisions of this Agreement. Any and all changes in general and limited partners of the partnership or their respective Partnership interests are subject to the Authority's prior approval.

12. Any transferee or person or entity succeeding to the rights and obligations and interests of the general and limited partners of the Partnership in the Project as amended by operation of law, testamentory disposition, intestacy, or otherwise shall be deemed to have consented and agreed to be bound by the terms, covenants and conditions of this Agreement.

13. The Partnership agrees to comply with Sections 1 to 6 of Exhibit B attached hereto except, as modified herein, and further agrees that it will, (a) maintain full and accurate accounts, records and books relative to the Project as amended in such manner and in such detail as the Authority may prescribe; (b) grant to the employees or representatives of the Authority at all times during normal business hours access to the Project Properties and to such of its accounts, records and books as relate to the Partnership's obligations under this Agreement, Chapter 121A and Chapter 652, as now or may be in the future amended; (c) permit the Authority or any accountants or auditors approved by it to make periodic audits of the Partnership's accounts and financial records at the Partnership's expense, which shall at all times be available in the Commonwealth of Massachusetts; and (d) furnish to the Authority such financial, operating, statistical and other reports, records, statements and documents on a uniform and consistent basis as may be periodically or on a one time basis required by the Authority and copies of contracts entered into by the Partnership or other documents in the possession of the Partnership as the Authority may from time to time require in connection with the Partnership's obligations under this Agreement, the Second Amendment to the Report and Decision, Chapter 121A or Chapter 652.

14. Any notices, reports, statements, approvals or other communications given pursuant to this Agreement shall be in writing. Such notices shall be either mailed by certified or registered mail (certified or registered charges prepaid) or served by an officer authorized to serve civil process. Notices to the Authority shall be mailed to or served upon its Director or a person designated by him at its principal office. Notice to the Partnership shall be mailed to or served upon same at its principal office. The principal office of the Authority shall be deemed to be One City Hall Square, Ninth Floor, Boston, Massachusetts 02201, or such other place as the Authority may designate by written notice to the Partnership, and the principal office of the Partnership shall be deemed to be 280 Commonwealth Avenue, Boston, Massachusetts 02116, or such other place as the Partnership may designate by written notice to the Authority.

15. The Partnership shall, at its own cost and expense, keep, operate and maintain the Project Properties or cause it to be kept, operated and maintained as rental apartments and in good repair, order and condition at all times during the term of this Agreement.

16. All changes, deviations, alterations, or additions proposed to be made to the Project Properties from and after the date hereof are subject to prior review and approval by the Authority.

17. The Partnership shall not effect or execute any covenant, agreement, lease, or other instrument whereby the Project as amended or any improvement therein is restricted upon the basis of race, sex, religion, creed, color or national origin or ancestry in the lease or occupancy thereof or employment therein.

18. The Authority may enforce any of the provisions of this Agreement, Chapter 121A, Chapter 652 or any of its rules and regulations imposed on the Project as amended by the Second Amendment to the Report and Decision by an action at law or equity in a court of appropriate jurisdiciton.

19. This Agreement shall be recorded in the Suffolk Registry of Deeds.

EXECUTED, as a sealed instrument the day first above written.

BOSTON REDEVELOPMENT AUTHORITY

By: _____
Stephen Coyle, Director

BACK BAY RESTORATIONS COMPANY

By: _____
Zena Nemetz, General Partner

By: Back Bay Restorations, Inc.,
a General Partner

By: _____
Zena Nemetz, President

APPROVED AS TO FORM:

_____
Assistant General Counsel
Boston Redevelopment Authority

COMMONWEALTH OF MASSACHUSETTS

SUFFOLK, ss. March 10, 1986

Then personally appeared before me the above-named Stephen Coyle, Director of the Boston Redevelopment Authority (the "Authority"), who executed the foregoing Regulatory Agreement on behalf of the Authority and acknowledged the same to be the free act and deed of the Authority.

Notary Public
My Commission Expires: 7/23/87

COMMONWEALTH OF MASSACHUSETTS

SUFFOLK, ss. March 5 , 1986

Then personally appeared before me the above-named Zena Nemetz, as General Partner of the Back Bay Restorations Company (the "Partnership"), and as President of Back Bay Restorations, Inc. (the "Corporation"), also a General Partner of the Partnership, who executed the foregoing Regulatory Agreement as a General Partner and as President of the Corporation and acknowledged the same to be her free act and deed in both capacities.

Notary Public
My Commission Expires: 2/5/93

EXHIBIT A TO REGULATORY AGREEMENT

DESCRIPTION OF PROJECT PROPERTIES

199 Marlborough Street

All of the units in the 199 MARLBOROUGH CONDOMINIUM located in the building known as and numbered 199 Marlborough Street in the City of Boston, Suffolk County, Massachusetts, a condominium established pursuant to Chapter 183A of the Massachusetts General Laws by Master Deed dated September 24, 1984 and recorded with Suffolk County Registry of Deeds, Book 11182, Page 170, as amended of record, and also known as a certain parcel of land with the buildings thereon, situated in Boston, Suffolk County, Massachusetts, being now numbered 199 Marlborough Street, and being shown on a plan entitled "Plan of Lands belonging to the Commonwealth of Massachusetts" recorded with Suffolk Deeds at the end of Record Book 885, being bounded and described as follows:

SOUTHEASTERLY	by said Marlborough Street, 30.00 feet;
SOUTHWESTERLY	by Exeter Street, 112.00 feet;
NORTHWESTERLY	by a passageway 16 feet wide as shown on said plan, 30.00 feet; and
NORTHEASTERLY	by a line parallel with and 30 feet Easterly from the Easterly line of said Exeter Street and running through the middle of a brick partition wall of owners unknown, 112.00 feet.

Together with the fee and soil of so much of said passageway that lies Southerly of its middle line between the Northeasterly and Southeasterly lines of the premises extended.

238 Marlborough Street

All of the units in the 238 MARLBOROUGH CONDOMINIUM located in the buildings known as and numbered 238 Marlborough Street in the City of Boston, Suffolk County, Massachusetts, a condominium established pursuant to Chapter 183A of the Massachusetts General Laws by Master Deed dated September 24, 1984 and recorded with Suffolk County Registry of Deeds in Book 11182, Page 100, as amended of record, and also known as a certain parcel of land with the buildings thereon, situated in Boston, Suffolk County, Massachusetts, being now numbered 238 Marlborough Street, being bounded and described as follows:

Beginning at a point on the Southerly line of said Marlborough Street, 230 feet West of the Westerly line of Exeter Street, thence running

SOUTHERLY and parallel to the said Westerly line of Exeter Street, 112 feet to a passageway 16 feet wide, thence

WESTERLY on the Northerly side of said passageway, 25.00 feet; thence

NORTHERLY and parallel to the course first described, 112.00 feet to the said Southerly line of Marlborough Street; thence

EASTERLY on said Southerly line of Marlborough Street, 25 feet to point of beginning.

The Easterly and Westerly side lines of the premises are believed to run through the middle of party walls. Together with the fee and soil of so much of said passageway as lies between the Easterly and Westerly lines of the premises extended, North of the center line of said passageway, subject to its use as a passageway by all persons entitled thereto.

148 Commonwealth Avenue

All of the units in the 148 COMMONWEALTH CONDOMINIUM located in the building known as and numbered 148 Commonwealth Avenue in the City of Boston, Suffolk County, Massachusetts, a condominium established pursuant to Chapter 183A of the Massachusetts General Laws by Master Deed dated September 24, 1984 and recorded with Suffolk County Registry of Deeds, Book 11182, Page 206, as amended of record, and also known as a certain parcel of land with the buildings thereon situated in Boston, Suffolk County, Massachusetts, being now numbered 148 Commonwealth Avenue, being bounded and described as follows:

NORTHERLY by Commonwealth Avenue, 26.00 feet;

EASTERLY by a line parallel with and 84 feet Easterly from the Easterly line of Dartmouth Street by land now or formerly of Welch, et al, Trustees, 124.50 feet;

SOUTHERLY by a passageway sixteen feet wide, 26.00 feet;

WESTERLY by a line running parallel with and fifty-eight feet Easterly from the Easterly line of said Dartmouth Street by land now or formerly of Baker, 124.50 feet.

Also all that part of said passageway which lies Northerly of its middle line and between the East and West boundary lines of the above parcel extended or however otherwise said premises may be bounded or described and be all or any of said measurements more or less.

298 Commonwealth Avenue

All of the units in the 298 COMMONWEALTH CONDOMINIUM located in the building known as and numbered 298 Commonwealth Avenue in the City of Boston, Suffolk County, Massachusetts, a condominium established pursuant to Chapter 183A of the Massachusetts General Laws by Master Deed dated September 24, 1984 and recorded with Suffolk County Registry of Deeds, Book 11182, Page 135, as amended of record, and also known as a certain parcel of land with the buildings thereon situated in Boston, Suffolk County, Massachusetts, being now numbered 298 Commonwealth Avenue, being bounded and described as follows:

NORTHERLY	by Commonwealth Avenue, 24.00 feet;
EASTERLY	by a line parallel with and 213 feet, 7.5 inches more or less Easterly from the Easterly line of Hereford Street by land now or formerly of Wallace F. Robinson, by a line through the middle of a brick partition wall 132.5 feet;
SOUTHERLY	by the middle of a passageway 16 feet wide, 24.00 feet;
WESTERLY	by a line parallel with and 189 feet, 7.5 inches more or less Easterly from the Easterly line of Hereford Street by land now or formerly of William D. Pickman and Jacob C. Rogers by a line through the middle of a brick partition wall 132.50 feet.

SUBJECT TO:

Restrictions created by Establishment of Restriction dated June 12, 1876 recorded with Suffolk Deeds, Book 1330, Page 300 as extended by instruments recorded with said Deeds, Book 7808, Page 340, Book 7805, Page 17 and 340 and Book 7809, Page 273.

Passageway Agreement dated December 1, 1884 recorded with said Deeds Book 1661, Page 33.

Agreements with City of Boston dated July 7, 1876 recorded with said Deeds, Book 1731, Page 417 and dated June 9, 1886 recorded Book 1727, Page 516.

Party Wall Agreements dated October 20, 1879 recorded with said Deeds, Book 1476, Pages 137 and 139 and Book 2171, Page 613.

Fire Escape Agreement dated June 5, 1946 and recorded with said Deeds, Book 6280, Page 85 and dated January 22, 1946 recorded Book 6199, Page 343.

Restrictions set out in instrument recorded with said Deeds, Book 1420, Page 282.

Party Wall Agreements as set out in instruments recorded in Book 1497, Page 622 and in Book 1531, Page 517.

Rights of others in so much of insured premises as lie in a 16-foot wide public alley.

Restrictions set out in deed recorded with said Deeds, Book 1829, Page 153, extended at Book 7809, Page 457.

Party Wall agreement set out in instrument recorded at Book 1931, Page 354.

Restrictions set forth in deed recorded in Book 1570, Page 164 and Page 165.

Party Wall Agreement recorded with said Deeds, Book 3360, Page 605.

Fire Escape Agreement recorded in Book 5590, Page 79.

Restrictions set out in deed recorded with said Deeds, Book 1311, Page 29, extended at Book 7809, Pages 358, 365, 518 and 526.

Provisions, conditions and restrictions of said Master Deed establishing the 199 MARLBOROUGH CONDOMINIUM, as amended and the Declaration of Trust of the 199 Marlborough Condominium recorded with said Deeds, Book 11182, Page 190, as amended.

Provisions, conditions and restrictions of said Master Deed establishing the 238 MARLBOROUGH CONDOMINIUM, as amended and the Declaration of Trust of the 238 Marlborough Condominium recorded with said Deeds, Book 11182, Page 119, as amended.

Provisions, conditions and restrictions of said Master Deed establishing the 148 COMMONWEALTH CONDOMINIUM, as amended, and the Declaration of Trust of the 148 Commonwealth Condominium recorded with said Deeds, Book 11182, Page 225, as amended.

Provisions, conditions and restrictions of said Master Deed establishing the 298 COMMONWEALTH CONDOMINIUM, as amended, and the Declaration of Trust of the 298 Commonwealth Condominium recorded with said Deeds, Book 11182, Page 154, as amended.

Provisions of Massachusetts General Laws, Chapter 183A, as amended.

EXHIBIT B TO REGULATORY AGREEMENT

REVISED MINIMUM STANDARDS FOR FINANCING, MAINTENANCE AND MANAGEMENT OF THE PROJECT AS AMENDED

1. Financing. The initial refinancing of the Project as amended shall be as set forth in Section B(3) of the Second Amendment to the Report and Decision as approved by the Authority. All subsequent or alternative financing or refinancing of the Project as amended, including the granting or recording of any mortgages on the Project as amended, or any of the Project Properties, or sale or assignment of partnership interests, general or limited, of the Partnership shall be made only with the prior written approval of the Authority.

2. Maintenance. The Partnership shall cause the Project Properties to be maintained and operated in compliance with the Second Amendment to the Report and Decision, Paragraph 4(d) of the Judgment as amended and all zoning, building, health and fire laws, codes, ordinances and regulations in effect in the City of Boston, except to the extent that permissions were granted by the Authority for zoning deviations, if any, in the original Report and Decision. Compliance by the Partnership with such laws, codes, ordinances and regulations shall, subject only to judicial review, be determined by the Inspectional Services Department of the City of Boston or any successor department, agency, board or commission and all inspection to determine such compliance shall be determined by it. Further, the Partnership shall, at its own cost and expense, keep, operate and maintain the Project Properties or cause same to be kept, operated and maintained as rental apartments and in good repair, order and condition.

3. Management. The Partnership may manage the Project Properties itself or employ an independent contractor to undertake such management. The compensation to be paid by the Partnership for such management shall not exceed annually six percent (6%) of the gross income derived from the Project Properties.

4. Accounting. The Partnership shall keep and maintain at all times during the period of the tax exemption under Sections 6A and 10 of Chapter 121A, accounting records conforming to generally accepted accounting principles in which shall be recorded all sums from time to time invested in the Project as amended or comprising any part of the cost thereof as hereinafter defined and all information necessary for the computation of (a) the amounts which the Partnership is required to pay pursuant to the provisions of Sections 6A, 10 and 15 of Chapter 121A, as now in effect, and (b) the maximum amounts which the Partnership shall be entitled to receive and accept pursuant to paragraph 6 of the Agreement and Section 5 below. Within ninety (90) days after the end of each calendar year wholly or partly included within the period of the tax exemption referred to above the Partnership shall submit a statement showing for that calendar year or part thereof included within said period the amounts of items (a) and

(b) above and in reasonable detail the manner of computation of such amounts. Such statements shall be certified to by independent public accountants of recognized standing selected and paid for by the Partnership. The Authority shall, at all reasonable times, be permitted to examine and audit all such accounting records and may, in its discretion and at its expense, employ independent public accountants to examine and audit such statements and records. If the Partnership is found to have deliberately withheld information on, or misrepresented, income collection from the Project Properties, relative to its payments in lieu of taxes, it will be required to pay all arrearages plus interest on that amount owed the City of Boston or the Department of Revenue, Commonwealth of Massachusetts, and in addition will be required to pay and/or reimburse the City of Boston or the Department of Revenue for all reasonable costs of auditing the account and any other expenses reasonable incurred as a result of the Partnership's failure to comply with this Section.

For the purposes of Section 18(C)(e) of Chapter 121A, the "amount invested" in the Project as amended by the Partnership shall be determined as follows: (a) the initial "amount invested" shall be the net operating losses of the Partnership, excluding depreciation, in respect to the Project Properties (i.e. 199 and 238 Marlborough Street and 148 and 298 Commonwealth Avenue, Boston, Massachusetts) for calendar year 1985, not paid out of the initial refinancing referred to in Section 1 hereof, as set forth in a statement certified by an independent public accountant of recognized standing, and (b) thereafter the amount calculated in accordance with item (a) above may be increased by any direct and indirect expenses which under generally accepted accounting principles would be treated as capital expenditures and are acceptable to the Authority.

For the purpose of the computation required by Sections 10 or 15 of Chapter 121A as now in effect, the cost of the Project as amended may, at the election of the Partnership, be amortized at such annual rates and methods as in each year during said period of the tax exemption may be allowed to the Partnership by the Internal Revenue Service of the United States of America or at such other annual rates and methods as are in accordance with generally accepted accounting procedures, provided that no change shall be made in such methods without the Authority's consent.

5. Receipt by Applicant of Net Income. The Partnership shall be entitled to receive and accept for its general purposes as net income from the Project as amended sums not exceeding eight percent (8%) of the "amount invested" (as that term is defined in Section 4, second paragraph, above), by it in the Project as amended for each calendar year or portion thereof in which it owns or has owned the same; except that, if in any year it has so received a sum less than the aforesaid eight percent (8%), it may so receive in a subsequent year or years additional sums not exceeding in the aggregate such deficiency without

interest. The amounts so received and accepted shall be included among the deductions from gross receipts set forth or referred to in Section 15 of Chapter 121A.

6. Inconsistencies. If there are inconsistencies between the provisions of the foregoing and the provisions of Exhibit B to the Second Amendment to the Report and Decision, the foregoing shall supercede and control.

"Exhibit C"

StPaul Federal Bank
For Savings

6700 West North Avenue
Chicago, Illinois 60635
(312) 622-5000

April 23, 1986

Back Bay Restorations Company
c/o Ned Eichler Associates, Inc.
50 Glen Avenue
Newton Center, Massachusetts 02159

RE: Second Mortgage Loan
38 Unit Apartment Buildings, Boston, Massachusetts

Gentlemen:

We are pleased to inform you that St. Paul Federal Bank for Savings ("St. Paul") has approved a loan (the "Loan") to the below-referenced Borrower on the terms and conditions set forth below:

Borrower: Back Bay Restorations Company, a Massachusetts limited partnership, the General and Managing Partner of which is Zena Nemetz.

Type of Loan: Non-Recourse Second Mortgage on Fee Simple. (There are to be no other encumbrances junior or senior other than one prior mortgage held by the Boston Redevelopment Authority, which Borrower hereby certifies to have a current balance of not greater than $500,000, and annual interest payments which will accrue until May of 1991, at which time they will be added to the principal and be payable quarterly in arrears. The interest payments only on this first lien, and not the principal, will be subordinate to St. Paul's second mortgage. This commitment is subject to St. Paul's approval of the form and substance of the terms and documentation of said prior mortgage including evidence satisfactory to St. Paul that there will be no violation of any due on encumbrance clause by reason of St. Paul's loan and that future advances under said prior mortgage will not prime the lien of St. Paul's mortgage. St. Paul shall require an estoppel letter from the holder of the prior mortgage stating the balance thereof, that there are no defaults thereunder, consenting to St. Paul's second mortgage, and agreeing to give St. Paul

notice and a right to cure defaults under the prior mortgage, together with such other matters as may be reasonably requested by St. Paul or its counsel.)

Secured Property: 38 Unit Rental Apartment Buildings located at 148 and 298 Commonwealth Avenue and 199 and 238 Marlborough Street, Boston, Massaschusetts.

Principal: $2,200,000.

Interest Rate and Payments: The interest rate and payments shall be as set forth on Exhibit A attached hereto and made a part hereof. A late payment charge of 5% of the late payment will be charged on any monthly installment received more than nine days after the date such installment was due. But if before or 4fter such late fee has accrued, Default (including any applicable notice and grace periods) shall occur, then the interest rate applicable to such late payment and any other defaulted payments from the due date of the defaulted payment shall be the post default interest rate and the late fee shall still apply to any such payments.

Term: 10 Years.

Loan Fee: $33,000 (1-1/2%) due and payable at or prior to the initial advance. Such Loan Fee shall be deemed fully earned upon payment and shall be non-refundable.

Prepayment: See Exhibit A.

Due-on-Sale: Provided Borrower is not in default under the Loan, St. Paul will consent to a sale on payment of a 1% assumption fee if total debt does not exceed 80% of arms length sale price or currently appraised value, debt service coverage remains at least 1 to 1, and purchaser has satisfactory credit and has experience and reputation in managing similar property at least equal to Borrower's.

Due on Further Encumbrance: Provided Borrower is not in default under the Loan, St. Paul will consent to a subordinate encumbrance if total debt does not exceed 80% of currently appraised value, debt service coverage

currently appraised value, debt service coverage remains at least 1 to 1 and further debt is non-recourse.

Closing Costs: All closing costs (including, without limitation, title insurance costs, survey costs, appraisal fees, escrow fees, brokerage commissions, and recording fees and taxes) and the reasonable legal fees and expenses of St. Paul shall be paid by Borrower at closing.

Appraisal: This commitment is subject to receipt by St. Paul, at Borrower's expense, prior to closing of a fair market value appraisal of the Secured Property, addressed to St. Paul, by an appraiser who is a member of the American Institute of Real Estate Appraisers and in form and substance satisfactory to St. Paul and in full compliance with FHLBB R Series Memoranda 41b (March 12, 1982) entitled "Appraisal Policy and Procedure of Insured Associations and Service Corporations" and such appraiser shall certify such full compliance. The appraisal will be ordered by St. Paul and the appraiser must be approved by St. Paul's Board of Directors prior to final loan approval.

Disbursement: The disbursement of the Loan proceeds will be made at closing.

Closing Documents: This commitment is subject to the execution, delivery and compliance by Borrower with the terms of the various instruments and documents listed on Exhibit B attached to this commitment and made a part hereof (the "Loan Documents") prior to closing. The main Loan Documents shall be a Promissory Note (the "Note") and a Mortgage or Deed of Trust, Assignment of Leases and Rents, Security Agreement and Financing Statement (the "Mortgage"). Additional documentation will be added to reflect any extraordinary or unusual aspects of this particular transaction.

No Assignments; No Third Party Benefits: This Commitment shall not be assigned by Borrower. Also, this Commitment is made for the sole benefit of St. Paul and Borrower and no third party shall have any right or remedy or other legal interest of any kind under or by reason of this Commitment.

Borrower to Pay Broker Fees:

Any brokerage commissions or other fees owing to Ned Eichler Associates, Inc. that may arise by reason of the Loan shall be paid by Borrower. Borrower represents and warrants to St. Paul that no broker, other than Ned Eichler Associates, Inc., has been or will be employed by Borrower in connection with the Loan, and Borrower hereby agrees to indemnify St. Paul and hold St. Paul harmless from and against any liability or claims for brokerage commissions, fees or payments of any kind by anyone claiming through Borrower. Ned Eichler Associates, Inc. is not an agent of St. Paul and has no authority whatsoever to commit St. Paul to make this Loan or any other loan.

Failure to Close:

If after Borrower accepts this commitment to make the Loan, the Loan fails to close for any reason other than the sole default of St. Paul, the actual damages to St. Paul resulting therefrom would be substantial but extremely difficult to fix or ascertain, and, for this reason, Borrower and St. Paul expressly understand and hereby agree that St. Paul shall be entitled to retain, as liquidated damages by reason of such failure of the Loan to close, the full amount of said Commitment Fee (as hereinafter defined), which amount is hereby agreed to be a reasonable estimate of the actual damages that would be sustained by St. Paul in such event, provided, however, that if the Loan transaction fails to close for St. Paul's fault, then the Commitment Fee (as defined hereinafter) shall be refunded to Borrower as Borrower's sole remedy, and as liquidated damages and not a penalty.

Entire Agreement; Survival of Representation:

This commitment shall constitute the entire agreement for the Loan, and shall supersede all prior written or oral understandings with respect thereto; provided, however, that all written and oral representations of Borrower, and of any principal or agent of the Borrower to St. Paul, shall be deemed to have been made to induce St. Paul to make the Loan and issue the commitment and shall survive the closing. No modification or waiver of any provision of the commitment shall be effective unless it is in writing, signed by Borrower and St. Paul.

Survival of Loan Commitment: To the extent that this loan commitment is not inconsistent with the Loan Documents, it shall survive closing and not merge into the Loan Documents.

Choice of Law: This commitment shall be governed by and construed in accordance with the internal laws of the State of Illinois.

St. Paul's approval of the loan is subject to your returning a signed copy of this letter within 10 days from the date hereof along with your Commitment Fee in the amount of $22,000 (The "Commitment Fee"). The Commitment Fee will be applied toward the $33,000 Loan Fee at the time of closing. Said Commitment Fee is fully earned by St. Paul upon your acceptance of this commitment and is non-refundable. In no case shall this commitment be binding on either party until said Commitment Fee is paid in full and this commitment is duly signed by you. This approval is also subject to the loan being closed and funds being disbursed within 45 days from the date of your acceptance provided that Borrower and St. Paul will use best efforts to close the Loan prior to the expiration of the 45 days.

Yours very truly,

ST. PAUL FEDERAL BANK FOR SAVINGS

BY _____
Leo P. Dignan
Executive Vice President

I accept the above commitment
and all its terms and conditions.

BORROWER

Back Bay Restorations Company
a Massachusetts Limited Partnership

By: _____
Zeno Nemetz
General and Managing Partner

Date: May 10, 1986

0418A/sh

EXHIBIT A

Interest Rate:	10.75% fixed for the first 5 years. In the second 5 years the rate will be variable with the Borrower choosing prior to closing and the beginning of the term one of the following variable rates during the second five years: the Monthly Median Annualized Cost of Funds for FSLIC-insured institutions plus 2.5% adjusted quarterly; Weekly Average Yield Adjusted for Constant Maturities for One Year Treasury Bills plus 2.5% adjusted annually; or 11th District Cost of Funds for FSLIC-Insured Institutions plus 2.25% adjusted quarterly.
Term:	Ten Years
Maximum/Minimum Accrual Interest Rate During Years 6-10:	14.0%/8.5%
	M.N.C. - Mtg Bankers Assoc.
Maximun Increase or Decrease in Interest Rate Per Rate Change:	None
Repayment of Principal and Interest:	Payments are interest only for the first 5 years. Beginning in year 6, level payments necessary to amortize outstanding principal over 25 years. At each Interest Rate Change Date, payment is refigured based on new interest rate and reduced principal and term.
Interest Payments:	On day of closing, interest paid from that date to end of that calendar month; thereafter interest paid in arrears.
Prepayment:	No prepayment will be allowed in years 1 and 2. There will be a 2% prepayment penalty in years 3 and 4, and a 1% penalty in year 5. There will be no prepayment penalty in the second 5 years.

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EXHIBIT B

LOAN DOCUMENTS

As a condition to closing, prior to closing Borrower shall furnish or St. Paul shall have received, the following documents (the "Loan Documents"), at Borrower's expense, in form and substance acceptable to St. Paul and St. Paul's Counsel:

1. Loan Commitment. This Commitment Letter.

2. Promissory Note.

3. Mortgage or Deed of Trust, Assignment of Leases and Rents, Security Agreement and Financing Statement.

4. UCC Financing Statement. U.C.C. financing statements for filing in appropriate state and county offices covering all personalty and fixtures to which St. Paul has taken a security interest to secure the Loan.

5. Records Search. A U.C.C. financing statement search and other searches as may be requested by St. Paul of the State and local public records, which searches shall disclose no financing statements, tax liens, or other liens or encumbrances filed or recorded against the Borrower or any entity or partner constituting the Borrower, if applicable, or the Property, except as permitted by St. Paul.

6. Permitted Exception Documents. Borrower shall also furnish St. Paul with copies of all agreements, instruments and documents, recorded or otherwise, which are referred to in, cause, or give rise to any exceptions on the title insurance commitment referred to in Section 12.

7. Information and Agreements Concerning Leases. Borrower shall submit, prior to closing:

(i) Certified Rent Roll. Rent Roll, showing tenant names or indicating vacancy if applicable, unit numbers, rents, lease term, date rent paid through, and security deposits, if any, plus such other information as St. Paul may reasonably require, certified by the Borrower as being true and correct.

(ii) Certified Copies of Leases. Fully executed copies of all leases, subleases, or other occupancy agreements relating to the Property or any part thereof, or if the Property is a residential apartment development with ten (10) or more units, a representative copy of the form of lease used for the development, and all amendments thereto (the "Leases") certified by Borrower as being true and

correct (and if a standard form, also certified as being representative). Such Leases shall be acceptable to St. Paul in form and content.

(iii) Other Agreements and Documents. Such other agreements and documents as St. Paul may reasonably require, all in a form and substance reasonably satisfactory to St. Paul, including in the case of any leases other than residential apartment leases, a subordination and attornment agreement for the benefit of St. Paul.

8. Certified Information With Respect to Corporate or Partnership Borrowers. Information with respect to Borrower (or any entity or partner constituting Borrower) certified by Borrower, unless some other party is specifically required, as being true and correct.

(i) If a corporation: such evidence of corporate power and authority to enter this Commitment and the Loan Documents as St. Paul may reasonably require, including, without limitation, good standing certificates, articles of incorporation, bylaws, and resolutions.

(ii) If a partnership:

a. Currently certified copy of complete partnership agreement and all amendments (which must provide for the continuation of the partnership in the event of the death or disability of one or more but less than all of its general partners).

b. Certified list of all partners with indication of interest held and contributions made by each partner.

c. If partnership is a limited partnership, a certificate of limited partnership and evidence that said certificate has been recorded in the proper recording office in Borrower's state, and, if applicable, the state where the mortgaged property is located.

9. Financial Statements. Such Financial Statements respecting Borrower and the operation of the mortgaged property as St. Paul may reasonably request.

10. Insurance. All from insurers and in form and content, coverage and amounts reasonably acceptable to St. Paul:

(i) A certified copy of any original policy of all-risk casualty insurance for all improvements, personalty, and fixtures on the Secured Property covering, without limitation, fire, extended coverage, vandalism and malicious mischief, with standard non-contributory mortgagee clause in favor of St. Paul and all mortgagees of record as their interest may appear, with 10 days' written notice of cancellation or material modification to St. Paul and all mortgagees

of record, in an amount which is not less than 90% of the replacement cost of the improvements without consideration for depreciation, with an inflation guard endorsement, with at least twelve (12) months' rent loss coverage, and insurance against flood if required by the Federal Flood Disaster Protection Act of 1973 and regulations issued thereunder, and with such other or special or increased coverages as St. Paul may require, including without limitation: business interruption coverage, boiler explosion coverage, and sprinkler leakage coverage. If the current use of the Secured Property does not conform with current ordinances, the insurance required pursuant to this paragraph shall include a Contingent Liability from Operation of Building Laws Endorsement or such other endorsement which insures against loss occasioned by the enforcement of any state or municipal law or ordinance regulating the construction or repair of the Improvements and in force at the time such loss occurs, which necessitates the demolition of any portion of the Improvements not damaged by the peril(s) insured against, together with a Demolition Cost Endorsement or such other endorsement which covers the actual cost of demolishing such undamaged portion of the premises and clearing the site thereof.

(ii) Certificate of comprehensive general public liability insurance, protecting the title holder of the Secured Property in an amount acceptable to St. Paul with provision for 30 days' prior written notice of cancellation or material modification to St. Paul and all mortgagees.

(iii) Other insurance as St. Paul may reasonably require.

(iv) Evidence of payment of premiums.

11. Survey. A current ALTA land title survey of the Secured Property by an acceptable registered surveyor, certified to St. Paul and the Title Insurer, containing a legal description conforming to the Title Insurance Commitment, disclosing no state of facts objectionable to St. Paul.

12. Title Insurance. A commitment for a 1970 ALTA form of Lender's Title Policy (to be followed at closing with the Policy itself) dated not earlier than 30 days before the closing date of the Loan, with extended coverage over the standard printed exceptions and Comprehensive Endorsement No. 1, which insures the lien of the Mortgage as a lien on the Secured Property in the amount of the Loan, subject only to taxes not yet due and payable and such other exceptions as may be approved by St. Paul's counsel (the "Permitted Exceptions"), with special endorsement insuring that the interest of all lessees under all Leases are as tenants only, with no options to purchase or rights of first refusal, and with such other special endorsements as St. Paul may reasonably require.

13. Attorney's Opinion for Borrower. In form reasonably satisfactory to St. Paul and St. Paul's counsel.

14. Attorney's Opinion for St. Paul. In St. Paul's reasonable discretion, which may be exercised at any time prior to the closing of the Loan, St. Paul may require, at Borrower's expense, a legal opinion from St. Paul's local counsel specifically addressing any issues which may arise by reason of St. Paul's making a loan in the state where the mortgaged property is located.

15. Evidence of Subdivision and Zoning Compliance. Borrower shall furnish St. Paul with such evidence of subdivision and zoning compliance as St. Paul may reasonably require, which shall include at least (i) a copy of the permanent Certificate of Occupancy issued at the time of completion of the improvements on the Secured Property by the local governmental authority having authority to issue such certificates, if available, and (ii) a copy of a current local zoning map and ordinance indicating, with relevant provisions marked, that the zoning of the Secured Property conforms with its present use.

16. Management Agreement. Borrower shall furnish St. Paul with a copy of the Management Agreement, if any, governing the mortgaged property, certified by Borrower as true and correct. Such Management Agreement shall be cancellable by Borrower on terms reasonably satisfactory to St. Paul.

17. Land Trust Documents. In the event title to the Property is held in a land trust, the trustee of such trust shall be satisfactory to St. Paul. The land trustee shall join in (on a non-recourse basis) the Note and Mortgage, and Borrower shall execute and deliver to St. Paul a Security Assignment of Beneficial Interest in Land Trust in form satisfactory to St. Paul, and shall provide St. Paul with copies of the Trust Agreement and the letter of direction to the land trustee authorizing execution of the Note, Mortgage, and any other Loan Documents executed by the land trustee, both certified by the land trustee as of the closing date.

18. Usury. Borrower shall furnish St. Paul prior to closing with any title insurance endorsements or documents or affidavits or attorney's opinion which St. Paul may require to demonstrate that the loan is not usurious.

19. In the Case of St. Paul Second Mortgages: Prior Financing Documents and an Estoppel Letter. Copies of all documents relating to any and all superior liens certified by the Borrower as being true, correct and complete and an estoppel letter in form satisfactory to St. Paul and St. Paul's counsel from the holder(s) of any and all superior liens.

20. Regulatory Certificate. Certificate of the Borrower in form and substance satisfactory to St. Paul dated prior to the closing indicating that the sum of all outstanding loans from St. Paul to Borrower and the Loan contemplated herein, does not exceed the limits set forth in 12 C.F.R. paragraph 563.9-3, which, subject to several qualifications, provides that such sum cannot exceed the lesser of (a) ten percent (10%) of St. Paul's withdrawable accounts, and (b) St. Paul's net worth. Said certificate shall also set forth the purpose of the Loan and, if the Secured Property is being purchased, the purchase price and a statement that the purchase contract submitted to St. Paul for underwriting purposes is the final contract which has not been modified in any material respects.

0418A/sh

MEMORANDUM

JUNE 26, 1986

TO: BOSTON REDEVELOPMENT AUTHORITY AND
STEPHEN COYLE, DIRECTOR

FROM: KEVIN J. MORRISON, ASSISTANT GENERAL COUNSEL

SUBJECT: THIRD AMENDMENT TO THE REPORT AND DECISION ON BACK BAY RESTORATIONS PROJECT UNDER CHAPTER 121A

On December 5, 1985, the Authority voted to approve and adopt the Second Amendment to the Report and Decision (the "Second Amendment") on the Back Bay Restorations Project (the "Project"). This vote was approved by Mayor Flynn on December 19, 1985 and the vote as so approved was filed with the City Clerk on March 10, 1986.

In accordance with Section B(1)(b) of the Second Amendment, the Project as amended now consists of the parcels of land with the buildings thereon numbered 199 and 238 Marlborough Street and 149 and 298 Commonwealth Avenue (the "Project Properties"), Boston, Massachusetts. The Project Properties contain thirty-eight dwelling units and they must be operated and maintained as rental apartments for the remainder of the period of the Project as amended which terminates on May 27, 1991.

Section B(3) of the Second Amendment authorized a refinancing of the Project Properties and other properties in accordance with a commitment from University Bank & Trust Company ("UBT") through its affiliate University Financial Services Corporation ("UFSC"). The total amount of this refinancing loan was $5,600,000 with a floating interest rate of three percent above a certain base rate adjusted daily. As required by the Order for Judgment entered in the case, Boston Redevelopment Authority v. Back Bay Restorations Company, et al., Land Court Civil Action No. 116134, Back Bay Restorations Company ("BBRC") was obligated to give a note to the Authority in the principal amount of $500,000 secured by a mortgage on the Project Properties with an interest rate of twelve percent plus as additional interest ten percent of the gross sales price when the properties are sold.

On April 16, 1986, the refinancing was closed. The Authority at that time received the payment of $250,000 also as required by the beforementioned Order for Judgment and executed a participating first mortgage agreement with USFC, UBT and other participating lenders which consolidated the obligation to the Authority and the refinancing loan.

On May 12, 1986, BBRC notified the Authority of its intent to again refinance on more favorable terms the existing loan on the Project Properties, and on June 25th BBRC filed with the Authority an Application for a Third Amendment to the Report and Decision for approval of this refinancing. A copy of the application is enclosed herewith. Attached to the application is a commitment letter from St. Paul Federal Bank for Savings of Chicago, Illinois. The bank will provide a loan of $2,200,000 secured by a mortgage which will be subordinate to a first mortgage of the Authority as to principal and not interest.

Since the provisions of both the Second Amendment and the Regulatory Agreement with BBRC, requires prior approval of any subsequent refinancing, BBRC has filed the necessary application seeking such approval. Furthermore, the approval requested does not constitute a fundamental change to or in the Project as amended, therefore a public hearing is not required.

It is recommended that the Authority approve and adopt the Third Amendment to the Report and Decision on the Back Bay Restorations Project attached hereto.

An appropriate vote follows:

VOTED: That the document presented at this meeting entitled, "Third Amendment to the Report and Decision on the Application, as Amended, of Zena Nemetz and Back Bay Restorations, Inc., for Authorization and Approval of a Project Under Chapter 121A of the General Laws and Chapter 652 of the Acts of 1960, Both as Amended, to be Undertaken and Carried Out by a Limited Partnership formed Under Chapter 109 of the General Laws and Approval to Act as an Urban Redevelopment Limited Partnership Under said Chapter 121A" be and hereby is approved and adopted.